



Committee of the Whole *Budget Review* *CITY COUNCIL*

MINUTES
Wednesday, October 12, 2016
5:30 P.M.

COUNCIL MEMBERS PRESENT:

S. Marmarou, J. Waltman, J. Slifko, B. Twyman, M. Goodman-Hinnershitz, D. Reed, C. Daubert

OTHERS PRESENT:

L. Kelleher, C. Younger, G. Steckman, D. Pottiger, J. Encarnacion, D. Cituk

The Committee of the Whole meeting was called to order at 5:35 pm by Mr. Waltman.

I. Capital Program

Mr. Steckman reminded the group that the Capital program is now funded by .1% of the Resident and Commuter EIT in 2016 and the amount dedicated will increase to .2% in 2017 and .3% in 2018. Mr. Steckman stated that the administration is also considering diverting other revenue sources directly to Capital. He stated that the program has relocated some purchases that had been previously covered by the General Fund such as vehicles and equipment.

Mr. Steckman explained the plan to use pole buildings at the Public Works facility to house equipment that is currently stored outside. He stated that providing housing will protect the equipment from the elements and possibly add to the life expectancy of the equipment.

Mr. Johnson explained the need to make repairs to the staircase inside the Fire Tower. He stated that the request came from Pagoda Skyline.

Ms. Goodman-Hinnershitz asked for an update on the negotiation of an agreement with Pagoda Skyline. Ms. Kelleher and Mr. Younger reported that Mr. Coleman is handling the matter and that a final draft was sent to Pagoda Skyline for review.

Ms. Goodman-Hinnershitz recalled that Pagoda Skyline was able to secure grant funding for a number of projects at and around the Fire Tower. She suggested that Pagoda Skyline seek

grant funds to cover the cost or at least offset the cost of the project. The issue was placed on the parking lot.

Mr. Johnson stated that he will follow up. He stated that Alsace Township, Lower Alsace and Reading are preparing for the Skyline Drive paving project. The project will include making temporary repairs to the stone walls and obtaining an engineering study to find a solution to the “slumping” condition affecting the walls. At one time there may have been some type of fortification system that once supported the walls.

Mr. Steckman reported that the City has not yet received title to the East Reading Pool. He stated that the check for the bid price of \$500 was submitted. He stated that Mr. Harrity’s Clean City initiative performed a cleanup around the pool recently.

Mr. Johnson stated that repairs for the Schlegel Park pool are planned for the next two (2) years: \$50K next year for repairs to the pool floor and \$200K the following year for deck replacement.

Mr. Steckman explained the plan to place a Welcome sign on the railroad bridge located on North 5th Street, north of the former post office building. Grant funds are being sought. He also explained the ADA replacement project for City Hall doors, curb ramps, etc. through CDBG. He reported that the City Hall roof was patched and the leaks have stopped and it is believed that repairs to the HVAC system have made the current system operational.

Mr. Johnson explained that the 14th and Walnut St Public Works facility is being used to house the electronics recycling. They plan to use the facility to store other equipment.

Mr. Steckman stated that some of the Fire Command vehicles will be replaced along with one (1) EMS unit. He noted that new Fire apparatus is wider and longer than apparatus used in the past which makes storage in the old fire stations practically impossible. He described the plan to relocate staff and equipment from four (4) locations – 3 fire stations and the EMS building – and relocate them to one new facility in a location to be determined. The cost should be around \$3.5M which may be covered with a short term loan or leaseback (similar to that used with the Public Works facility). He noted that some grant funding may be available to offset the overall cost.

Mr. Steckman stated that seven (7) police patrol vehicles and an oversized command vehicle will be replaced. He explained that some police vehicles are currently leased which is under review as the City garage could be maintaining the vehicles. He stated that the workflow at the garage is also under review along with their practices of equipment storage.

Mr. Steckman highlighted the IT Refresh expense and he noted the need for software updates. The money for the IT Refresh came from a five (5) year loan, rather than bond funding. There are three (3) more payments to make.

Mr. Waltman expressed the belief that the Hansen program is not fully used by all offices. Mr. Twyman agreed and suggested the exploration of Cloud vs servers to save money. The IT issue was placed on the parking lot re IT Plan, implementation and timeline.

Mr. Cituk questioned the use of Capital funds to purchase a Ford F350 when the purchase could be covered by Liquid Fuels. Mr. Steckman explained the need to purchase from Capital and cover paving projects with Liquid Fuels funding. Mr. Cituk suggested reviewing the Liquid Fuels regulations as there is a 20% cap which must be used to purchase vehicles. (*Copy circulated 10-13-16 and attached to the 10-17 Agenda*) Mr. Slifko voiced his agreement with the plan to use Liquid Fuels to repave as that has been ignored for decades.

Mr. Johnson stated that the City moved the cost of the street light program to the General Fund to free funding for street paving in Liquid Fuels. Mr. Cituk stated that the City received \$1.8M annually from Liquid Fuels. Mr. Steckman reported that the amount received annually from Liquid Fuels is now higher than \$1.8M due to the Gas Tax.

Mr. Cituk questioned using Capital funds for the emerald ash borer treatment as there is approximately \$240K allocated annually to Shade Tree. Mr. Steckman noted the need to use that funding for things such as tree trimming.

Mr. Cituk suggested covering the cost of the new trash truck from the Trash/Recycling Enterprise Fund.

Mr. Twyman stated that the City invested heavily in the recycling area over the past few years. He suggested further discussion. Mr. Steckman stated that the Trash program needs to be rebid before the end of the year and that recycling may be added as a component of the trash collection.

Mr. Steckman noted that the EPA has found that the City's storage site for the recycling operation is in violation of EPA regulations as it is in a watershed area. Mr. Johnson agreed.

Mr. Steckman stated that the extension of the River Road project has been revived, as the Dana lot will not be sold until the road is open and operational.

There was discussion on the African American Museum. Ms. Goodman-Hinnershitz recalled that the issue was closed last year. Ms. Kelleher agreed, noting that the leadership of the Museum was given a timeline to produce their required funds and they did not meet the deadline.

II. Position Listing

Mr. Daubert questioned why the distribution of the ordinance was delayed. Mr. Steckman apologized and explained that the delay was caused by his slow review of the ordinance.

Mr. Steckman reviewed the changes as follows:

- Elimination of the Business Analyst
- Addition of a Deputy Police Chief as a management, not a police, position
- Addition of a CD Economic Development position by eliminating two (2) part time positions

Mr. Steckman explained that the Deputy Police Chief will not be affected by the PFM required seven (7) officer reduction. He noted grave concern that the City could lose its last 40 officers that have street experience which could create large problems.

In response to a question from Ms. Reed, Mr. Steckman stated that the Economic Development position will be advertised and hired after a proper search is conducted. He stated that a job description will be created and the person must be bilingual.

Mr. Daubert recalled that the mayor, when commenting on the proposed budget, described the position and said that he already had someone in mind. Mr. Steckman stated that the mayor was referring to the replacement of Mr. Murray on the mayor's staff.

III. Pension & Healthcare

Ms. Kelleher and Ms. Goodman-Hinnershitz explained that the pension issue is a large component of what Mr. Turtell will cover during the external audit presentation.

Mr. Steckman stated that the State's MMO is expected to increase next year. He also stated that the next actuarial study of the three (3) plans will occur next year. He noted that the three (3) Pension funds are at Distress level 2. The Police fund is heading for Distress level 3 and the O&E and Fire funds are at Distress level 1.

Mr. Steckman stated that the City's healthcare expenses will rise less than 5%; however, the plans will be adjusted to address the over use of Emergency Rooms for non-emergency treatment and the amount of the deductibles.

Mr. Marmarou requested an update on removing re-employed police officers from the City's healthcare system. Mr. Steckman stated that that is an executive session topic.

Mr. Slifko suggested continuing the conversation on Monday.

The group discussed the possibility of adding Saturday review meetings.

The meeting adjourned at approximately 7:10 pm. The parking lot items will be placed on the 10-17 agenda.

*Respectfully Submitted by
Linda A. Kelleher, CMC, City Clerk*